



DEPARTMENT OF THE ARMY
US ARMY CONTRACTING AGENCY SOUTHERN REGION
1309 ANDERSON WAY SW
FORT MCPHERSON GEORGIA 30330-1096

REPLY TO
ATTENTION OF

SFCA-SR-COD

8 January 2003

MEMORANDUM FOR Army Contracting Agency, Southern Region Installations

SUBJECT: Southern Region Implementation Memorandum (SRIM) 03-05, AFARS
5117.204(e), Options Extending Contracts Beyond Five-Year Regulatory Limit

1. This memorandum provides procedures for Use of Options in accordance with AFARS 5117.204(e) which states "PARCs may approve use of options that extend contracts beyond the five-year regulatory limit." A contract period in excess of five years may be appropriate where the requirement is not likely to change, recurring and the price and availability in the commercial market is relatively certain to be stable during the period of the contract.
2. Approval to exceed the five-year regulatory limit shall be requested and authorized prior to solicitation of the requirement. The request shall be submitted to SFCA-SR-COD and shall document why a period longer than five years is needed or appropriate, what cost/price and performance risks are associated with the longer period, and how the contract will be structured to mitigate those risks to the contractor and the government.
3. For additional information contact Mr. Steve Hunnicutt, hunnicus@forscom.army.mil, DSN 367-2419 or Comm 404-464-2419.

CHARLES J. GUTA

Colonel, AC

Director

Army Contracting Agency – Southern Region

Principal Assistant Responsible for Contracting